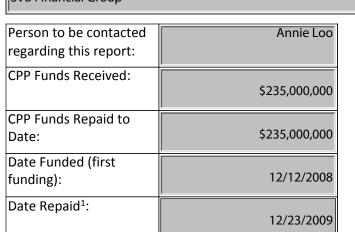
ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

CVD	Financial	C 40
IVE	Financiai	(arcourt)



RSSD:	
(For Bank Holding Companies)	802866
Holding Company Docket Number:	
(For Thrift Holding Companies)	
FDIC Certificate Number:	
(For Depository Institutions)	
City:	Santa Clara
State:	California

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

 than otherwise would have occurred.	challenging economic environment. In 2009, we added over 400 new loan clients with nearly \$1B of new loans, despite flat average loan growth from '08 to '09 due to clients' deleveraging of their businesses.

X	To the extent the funds supported	We primarily make commercial loans to technology and life science companies, and to the venture
	increased lending, please describe the	capital firms that support their growth. Our clients are the innovators of Silicon Valley and other key entrepreneurial markets, which include many small businesses and startup companies.
	major type of loans, if possible	entrepreneurial markets, which include many small businesses and startup companies.
	(residential mortgage loans, commercial	
	mortgage loans, small business loans,	
	etc.).	
	Increase securities purchased (ABS, MBS,	
	etc.).	
	Make other investments	
	Increase reserves for non-performing	
	assets	
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	Reduce borrowings	
	Increase charge-offs	
	linciease charge-ons	
	Purchase another financial institution or	
	purchase assets from another financial	
	institution	
S	Held as non-leveraged increase to total	Another objective for participating in CPP was to strengthen our capital base in order to mitigate
		another objective for participating in Cri 1 was to strengther our capital base in order to minigate
	capital	potential increases in credit risks due to the environment, to maintain strong levels of liquidity, and
		to allow us to continue pursuing business development and overall growth.

What actions were you able to avoid because of the capital infusion of CPP funds?

Our primary objectives for participating in the CPP in December 2008 were to enable us to continue lending comfortably to clients in a challenging economic environment and to maintain and strengthen our overall capital base. While we did not segregate our CPP funds from our other funds o
otherwise separately track our use of the CPP proceeds, we believe that we achieved those objectives during the time we were a CPP participant.
In the fall of 2008, we had been considering a potential capital raising transaction, such as an equity or qualifying debt offering, to further strengthen our capital position to support our plans for growth. However, due to the opportunity for healthy financial institutions to participate in the CPP, we opted to raise capital through participating in the CPP instead. We believed that since the CPP was designed for healthy, viable institutions, participation in the program would enhance our capital base and reflect our financial soundness.
Absent the CPP funds or a capital raising transaction, we may have had to reduce new lending activities to ensure that we had sufficient capital to absorb potential credit losses in light of the challenging economic environment in 2008 and 2009. The CPP funds enabled us to continue to comfortably lend in a challenging economic environment in 2009. During the first quarter of 2009, we allocated \$100 million of the CPP funds to our lending efforts at our bank subsidiary, Silicon Valley Bank. We did not reduce our new lending activities and in fact, added over 400 new loan clients with nearly \$1 billion in new borrowings in 2009. Our overall total new client count, including our new loan clients, reached nearly 1,000 in 2009. Additionally, during 2009, with a capital base strengthened by the CPP funds, we maintained strong levels of liquidity to support our ongoing business needs, and we continued to pursue our growth opportunities, including our global initiatives in China, India, Israel and the United Kingdom primarily to facilitate our US clients' international operations and expansion, and to build our foundation for future revenue-generating opportunities, such as developing new products and services.

What actions were you able	to take that you may not have taken without the capital infusion of CPP funds?	
In general, the capital infusion of the unstable economic environm opportunities.	CPP funds allowed us to continue operating our business confidently and comfortably, despite the chall nent in 2009. As discussed above, we continued to lend and to pursue growth and future revenue-general	lenges of ating

	ther actions that you w	vere able to under	take with the capit	al infusion of CPF	ofunds.	
N/A						

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.